injured and brings action for damages. *Held,* defendant liable. *Henrietta Coal Co.* v. *Campbell* (1904), — Ill. —, 71 N. E. Rep. 863.

It was contended in this case that the doctrine of assumption of risk should be applied, but the court declared that a servant does not assume the risk involved in carrying out a direct command of the master as to the method of performing certain work, unless he acts as no reasonably prudent person would act under like circumstances. *Chicago Anderson Pressed Brick Co.* v. *Sobkowiak,* 148 Ill. 573, 36 N. E. Rep. 572; *Ill. Steel Co.* v. *Schymanowski,* 162 Ill. 447, 44 N. E. Rep. 876; *Offutt* v. *World's Columbian Exposition,* 175 Ill. 472, 51 N. E. Rep. 657; *Greenleaf* v. *Ill. Central Railroad Co.,* 29 Ia. 14; *Patterson* v. *R. R. Co.,* 76 Pa. St. 389; *Snow* v. *R. R. Co.,* 8 Allen, 441; *Keegan* v. *Kavanaugh,* 62 Mo. 230. It is difficult to distinguish this case from *Weed* v. *Chicago, St. P., M. & O. Ry. Co.* (Neb.), 99 N. W. Rep. 827, in which it was held under somewhat similar circumstances that the servant had assumed the risk. The difference seems to be in the nature of the command and the knowledge of the servant. The servant must know the risks as well as the defects. *Consolidated Coal Co.* v. *Hoenni,* 146 Ill. 614. On principle it would seem that a servant has a right to assume that the master with his superior knowledge of working conditions will not expose him to unnecessary perils and he should not be held to have assumed the risk in obeying a direct command.

NOTES AND MORTGAGES—TAXATION OF—BUSINESS SITUS.—An action was brought against the trustee of the estate of a non-resident to enjoin the removal from the state of certain promissory notes before the taxes assessed thereon should have been paid. The notes were executed and payable in Ohio and secured by mortgages on real property in that state, but had been kept in possession of the owner's agent in Indiana at all times except a few days near assessment time, and when payment of principal and interest were to be indorsed, when they were sent to the owner's Ohio agent. *Held,* that they were liable to taxation in Indiana. *Buck* v. *Beach* (1904), — Ind. —, 71 N. E. Rep. 963.

While the mere leaving of notes by a non-resident owner with a resident agent for collection may not make them subject to taxation where so left (*Herron* v. *Keeran,* 49 Ind. 472), yet where the instruments are left permanently with a resident agent or where he has general authority to collect and reinvest the proceeds, their business situs is the place of business of such agent, and they are there taxable. Bonds whether domestic or foreign, belonging to the estate of a deceased non-resident, and deposited by him during his lifetime in safety deposit vaults, have been held liable to the collateral inheritance tax in the state where deposited. *Matter of Estate of Romaine,* 127 N. Y. 80; *Matter of Whiting,* 150 N. Y. 27. And where the statutes require that certain classes of foreign corporations shall deposit securities to a certain amount with the state treasurer as a condition precedent to doing business in the state, bonds so deposited thereby acquire such a business situs as to make them subject to taxation. *State* v. *Fidelity & Deposit Co.,* — Tex. —, 80 S. W. Rep. 544; *Western Assurance Co.* v. *Halli-*

day (Ohio), 126 Fed. Rep. 257. And where a resident of a state sold lands in another state and took notes therefor payable in the latter state and left there for collection they were held not taxable in the former state. *Wilcox* v. *Ellis,* 14 Kan. 588; *Fisher* v. *Com. of Rush County,* 19 Kan. 414. See also as to the general extent of the power of the state to tax notes and mortgages, *Buck* v. *Miller,* 147 Ind. 586, 62 Am. St. Rep. 436; *New Orleans* v. *Stempel,* 175 U. S. 309; *Comptoir National D'Escompte* v. *Board of Assessors,* 52 La. Ann. 1319.

PLEDGE—DUTY OF PLEDGEE TO PRESERVE THE VALUE OF COLLATERAL SECURITY.—Appellant borrowed $192, giving therefor his promissory note, payment of which was secured by a collateral note for $450, owing, to appellant and secured by a chattel mortgage on a large amount of growing corn. The notes, before maturity, came into the possession of the appellee in the regular course of business. The appellee took the notes with the understanding that appellant's chattel mortgage interest should be cared for and enforced and that appellee, after paying himself from the proceeds, resulting from the enforcement of the chattel mortgage, should turn over the remainder to appellant. When the collateral note became due, appellee failed to enforce the chattel mortgage which secured it and thereby the security was lost. *Held,* that appellee was bound to use ordinary diligence in the collection of the collateral note. *Scott* v. *First National Bank* (1904), — I. T. —, 82 S. W. Rep. 751.

The courts, quite generally, hold that when a creditor takes, as collateral security, a note due to his debtor from a third person, the pledgee, being entitled to the possession of the note having a certain ownership therein, must take all reasonable care to make secure the rights of the pledgor. *Farm Inv. Co.* v. *Wyo. College, etc.,* 10 Wyo. 240, 68 Pac. 561; *Reeves et al.* v. *Plough,* 41 Ind. 204; *Mt. Vernon Bridge Co.* v. *Knox County Sav. Bank,* 46 Ohio St. 224, 20 N. E. 339; *Mauck* v. *Atlanta Trust & Bank Co.,* 113 Ga. 242, 38 S. E. 845. The pledgee, in his exercise of reasonable diligence, must, if necessary to preserve the collateral note, sue the maker thereof; and if by failure to take proper steps, the value of the collateral is lost, the pledgee is liable therefor to the pledgor. *Whitteker* v. *The Charleston Gas Co.,* 16 W. Va. 717; *Wakeman et al.* v. *Gowdy,* 10 Bosw. (N. Y.) 208; *Roberts* v. *Thompson and Clark,* 14 Ohio St. 1, 82 Am. Dec. 465; *Hanna* v. *Holton,* 78 Pa. St. 384, 21 Am. Rep. 20; *Northwestern Nat. Bank of Aberdeen* v. *J. Thompson & Sons Mfg. Co.,* 71 Fed. Rep. 113; *Hazard* v. *Wells,* 2 Abb. N. C. (N. Y.) 444; *Lamberton et al.* v. *Windom et al.,* 12 Minn. 232, 90 Am. Dec. 301. In a late case, the court held that where a promissory note had been given as collateral security for the payment of a smaller note, made by the pledgor, and the pledgee had failed to demand payment of the collateral note or to give notice of its dishonor, whereby the indorser was discharged, the pledgor could, when sued on his own note, show by way of recoupment, the damages which he had sustained by the pledgee's negligence. *Coleman* v. *Lewis,* 183 Mass. 485.